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PROVINCIAL TREASURY

GUIDELINE

ON

FINANCIAL MANAGEMENT

SYSTEM OF DELEGATIONS

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1. PURPOSE

- 1.1 The purpose of this Provincial Treasury Guideline is to provide uniform processes and procedures on the implementation and management of delegated financial management powers and duties, to ensure that service delivery is achieved in an effective and efficient manner.
- 1.2 This Provincial Treasury Guideline must be read in conjunction with:
 - a) The Principles of Public Administration and Financial Management Delegation (Cabinet Memorandum 56 of 2013); and
 - b) The Directive on Public Administration and Management Delegations (2014) issued by the Department of Public Service and Administration.
- 1.3 In the event of any inconsistency between this Guideline and any other government legislation, such legislation prevails.

2. DEFINITIONS

In this Provincial Treasury Guideline, unless the context indicates otherwise, a word or expression, to which a meaning has been assigned in the PFMA and the National Treasury Regulations, has the same meaning; and:

“Accountability” means an obligation of an individual to account for his/her activities and to disclose the results in a transparent manner;

“Accounting Officer” means a person mentioned in terms of section 36 of the PFMA;

“Authorisation of a Payment” means firstly, the approval for payment of an invoice by the Responsibility and/or Programme Manager, by signing the actual invoice; and secondly, the preparation/compilation and signing of the payment advice; and thirdly, the capturing and authorisation of the payment on the payment system (BAS or HARDCAT);

“Authorisation of Expenditure” means the approval for expenditure to be incurred and approved as per a requisition form or a submission. The requisition form/submission must be approved as per the delegations of authority in terms of monetary value and must contain the approved budget allocations where the expenditure is to be incurred;

“Authority” means a power that is delegated in writing in terms of the governing legislation. Authority flows from top to bottom and includes the right to command a situation, commit resources, give instructions and expect them to be undertaken and performed, and is always accompanied by an equal responsibility for one’s actions or a failure to act;

“*CFO*” means the Chief Financial Officer referred to in Chapter 2 of the National Treasury Regulations;

“*Delegation*” means the assignment of authority and responsibility to another person to carry out specific activities;

“*Delegated official*” means any person to whom power has been delegated or who has been authorised to perform a duty in terms of a formal written delegation. This includes an official who acts lawfully in the capacity of the delegated official and the holder of a post to whom a power has been delegated;

“*Duty*” means the responsibility of conduct, function or performance that arises from an expressed or implied contract or by virtue of holding an office or position;

“*Financial misconduct*” means wilfully and negligently failing to exercise an assigned power or perform an assigned duty;

“*Function*” means a task that has to be planned and undertaken to produce required outcomes;

“*Limitation*” means a restriction being imposed on the performance of a particular power;

“*PFMA*” means the Public Financial Management Act (Act 1 of 1999);

“*Power*” means an instrument transferring or vesting legal authorisation and the ability conferred on a person by law to determine and alter the rights, duties, liabilities and other legal relations to himself/herself and others;

“*Responsibility*” means a duty or obligation to satisfactorily perform or complete a task, assigned by someone, that one must fulfil and which has a consequent penalty for failure;

“*Responsibility*” means a duty or obligation to satisfactorily perform or complete a task, assigned by someone, that one must fulfil and which has a consequent penalty for failure; and

“*Treasury Regulations*” means the regulations issued by National Treasury in terms of Section 76 of the PFMA.

3. LEGISLATIVE FRAMEWORK

3.1 In terms of the PFMA, the Accounting Officer for a department may:

- (a) In writing delegate any of the powers entrusted or delegated to the accounting officer in terms of this Act to an official in that department as per section 44(1)(a);
or

- (b) Instruct any official in that department to perform any of the duties assigned to the accounting officer in terms of this Act as per section 44(1)(b); and
 - (c) May confirm, vary or revoke any decision taken by an official as a result of a delegation or instruction in terms of sub-section (1), subject to any rights that may have become vested as a consequence of the decision.
- 3.2 A delegation or instruction to an official, in terms of section 44(2) (a) (b) (c) and (d) of the PFMA is subject to:
- (a) Any limitations and conditions prescribed in terms of this Act or as the relevant treasury may impose;
 - (b) Any limitations and conditions the accounting officer may impose;
 - (c) May either be to a specific individual or to the holder of a specific post; and
 - (d) Does not divest the accounting officer of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.
- 3.3 An official in a department, in terms of Section 45(a)(b)(c)(d) and (e) of the PFMA:
- (a) Must ensure that the system of financial management and internal control established for that department is carried out within the area or responsibility of that official;
 - (b) Is responsible for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility;
 - (c) Must take effective and appropriate steps to prevent, within that official's area of responsibility, any unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure and any under collection of revenue due;
 - (d) Must comply with the provisions of this Act to the extent applicable to that official, including any delegations and instructions in terms of section 44; and
 - (e) Is responsible for the management, including the safeguarding, of the assets and the management of the liabilities within that official's area of responsibility.

4. ROLE OF DELEGATIONS

- 4.1 The System of Delegations places emphasis on strategic planning and decision-making regarding budgetary and financial management implications and consequently, service delivery. The functionality of the System of Delegations must be results orientated and performance driven and contribute towards effective and efficient service delivery.

- 4.2 When delegating specific powers and authority, the desired results and outcomes must be achieved within the limits and parameters of assigned authority and decision-making. The act of delegation involves the assignment of powers, functions or responsibilities to another person in the employ of the department, which allows an individual or the holder of a specific post to make decisions within the scope of authority granted. It is therefore crucial that officials have the necessary knowledge and expertise to perform the delegated function effectively and efficiently. The concept of delegation must be understood by all parties involved.
- 4.3 Delegation ensures that financial resources are used appropriately based on the appropriate authority, and losses due to waste, abuse, mismanagement, errors, fraud, omissions and other irregularities are minimised.
- 4.4 The following conditions must be adhered to when delegating powers of authority:
- a) The delegations must be in writing;
 - b) May at any time be withdrawn in writing;
 - c) Delegations and instructions are within the scope permitted by the legislative framework;
 - d) Delegations are made to positions at the most appropriate level in the department in terms of decision-making;
 - e) Delegations must clearly state the maximum authority levels;
 - f) Employees are familiar with their roles and responsibilities;
 - g) Employees possess the necessary skills and competencies to exercise the delegation or responsibility;
 - h) Delegations must clearly define expected standards and the scope of authority and responsibility clarified, to ensure that delegated tasks are completed according to agreed standards and officials are held accountable for delegated powers and duties;
 - i) The execution of delegations is subject to compliance with corresponding limitations and/or conditions;
 - j) Clear directions or instructions are specified and conditions set in order that, where applicable, restrictions are imposed on the exercise of the delegations;
 - k) Applicable thresholds are taken into consideration where responsibilities have financial implications;

- l) Effective performance management, feedback, reporting mechanisms and appropriate controls are in place;
 - m) Delegations are current, approved and documented;
 - n) The official to whom powers have been delegated may not further delegate their powers, except where specifically authorised to do so;
 - o) An official may not authorise amounts over and above the maximum amount delegated in terms of the delegations of authority, unless appointed in writing to act in the higher post level in terms of section 32 of Public Service Act 1994, as amended, and Public Service Regulations; and
 - p) The appropriateness of delegations must be reviewed on a regular basis, particularly following re-organisation, restructuring, when the duties of a position are substantially varied, or the position assumes a new role or responsibility.
- 4.5 Once a delegation has been executed it is regarded as a completed administrative action, which is regarded as a *“functus officio”* action. *“Functus officio”* is the legal term for an administrative function that has been executed resulting in legal rights being vested.
- 4.6 The failure to comply with Delegations of Authority constitutes financial misconduct and any employee found guilty will be subject to discipline.
- 4.7 Financial delegations must be designed to distinguish between:
- a) Strategic, tactical and operational level delegations;
 - b) Different activity requirements in the execution of power; namely; initiate, process, recommend, approve, execute and monitor the execution of a delegated power;
 - c) Different principles guiding the appropriate delegation level, namely; impact level, post level and frequency level; and
 - d) Different risk impact levels when executing a delegated power, namely; extensive, moderate or limited.
- 4.8 The principles of exercising delegatory powers are attached as Annexure A. The annexure explains the content of each column of the delegation framework.

5. DELEGATIONS OF THE CHIEF FINANCIAL OFFICER

- 5.1 Without limiting the right of the Accounting Officer to assign specific responsibilities, the general responsibility of the Chief Financial Officer is to *“assist the accounting officer in*

discharging the duties prescribed in Part 2 of Chapter 5 of the PFMA and the annual Division of Revenue Act (DoRA)”.

- 5.2 The CFO essentially performs financial management responsibilities ranging from budget preparation, financial reporting and the development and maintenance of internal control policies and procedures.
- 5.3 The CFO's core responsibilities are derived from the following sections of the PFMA:
- a) Section 38: General responsibilities of Accounting Officers;
 - b) Section 39: Accounting Officers responsibilities relating to budgetary control;
 - c) Section 40: Accounting Officers reporting responsibilities;
 - d) Section 41: Information to be submitted by Accounting Officers;
 - e) Section 42: Accounting Officers responsibilities when assets and liabilities are transferred; and
 - f) Section 43: Virement between main divisions within votes.

6. WITHDRAWAL OF DELEGATIONS

- 6.1 Section 44(3) of the PFMA makes provision for delegations to be revoked; however the conditions and circumstances are not prescribed. In terms of the Principles of Public Administration and Financial Management Delegations issued by the Department of Public Service and Administration, delegations may be withdrawn under the following circumstances and/or conditions:
- 6.1.1 A possible conflict of interest arises in the making of any decision relating to the delegated power or duty;
 - 6.1.2 The delegated power or duty is not being exercised in a manner consistent with the particular statute or regulations;
 - 6.1.3 The delegated official does not demonstrate the required competence (knowledge, skills and experience) and commitment to perform delegated powers or duties;
 - 6.1.4 A delegation may not be withdrawn unless prior direction and guidance have failed, or delegation limitations and conditions have been revised; and
 - 6.1.5 Written reasons for the withdrawal must be provided.

7. REVIEW OF SYSTEM OF DELEGATIONS

- 7.1 The Accounting Officer must review PFMA Delegations at least annually, and where necessary, amend or withdraw any of the delegations. Amendments to the PFMA,

including any regulations issued in terms of this Act, must immediately be incorporated into the existing set of delegations, where applicable.

- 7.2 The System of Delegations must be adopted by the Accounting Office, inclusive of the signatory and date of the adoption of any new or revised delegations of authority.
- 7.3 Section 44 of the PFMA assigns powers, duties and responsibilities to the Accounting Officer of a department. These must be sub-delegated to the Chief Financial Officer, Management and other officials, where applicable.
- 7.4 Limitations must be included to ensure that delegated powers, functions, duties and responsibilities are undertaken by the delegated official within the boundaries of the law.
- 7.5 The System of Delegations can only be considered comprehensive if the PFMA and its regulations are covered in totality in respect of powers, duties and responsibilities.

8. DELEGATION FRAMEWORK

8.1 Financial Management Delegation Framework

- 8.1.1 Financial management delegations serve as an integral control mechanism and management tool, which plays an essential role in achieving departmental objectives.
- 8.1.2 An example of a delegation framework and associated financial management delegations of authority are attached as Annexure B1 and B2. The examples could however be limited in scope in comparison to the departments' mandate and in view thereof, departmental delegations must include any requirements specifically mandated in terms of strategic and operational requirements.
- 8.1.3 It should furthermore be noted that the minimum delegation/salary level, financial limitations and any conditions applicable to the delegations are at the discretion of the Accounting Officer, unless prescribed otherwise by regulatory prescripts or National Treasury instructions; directives, etc.

8.2 PFMA Delegation Framework

- 8.2.1 The PFMA Delegation Framework is attached as Annexure C. The framework indicates the assignment of powers and duties, by way of instruction and delegation to departmental officials, by the Accounting Officer, in terms of section 44(1) (a) and (b), read in conjunction with section 44(2) and (3) of the PFMA.
- 8.2.2 In understanding the rationale of the relevant framework, a brief description of the columns to the attached framework is provided:

- i) **"ITEM NO.":** The item number is required to identify the relevant delegation. It is recommended that consideration be given to advise officials when formally executing a specific financial delegation, that the following be stated:
"Approval/authority is hereby granted/denied* in terms of Finance delegation, item, issued in terms of Section 44 of the Public Finance Management Act, 1999 (Act 1 of 1999)".
**Delete which is not applicable.*
- ii) **"SECTION":** The relevant PFMA section quoted.
- iii) **"CRYPTIC DESCRIPTION OF POWER OR DUTY":** This column specifies the powers and duties identified for possible delegation. The PFMA must however be consulted as the final reference in this regard. It should be noted that certain powers and duties, by their very nature, cannot be delegated; for example a fiduciary duty. In addition, Accounting Officers may want to break down certain duties to an operational level and delegate accordingly.
- iv) **"DELEGATED TO":** The accounting officer has the legislative mandate to delegate a power or duty to the top management or any other departmental official. A delegation may be either to a specific individual or to the holder of a specific post in the department. It should therefore clearly outline to whom the power or duty is delegated to, with the onus on the Accounting Officer to ensure that the most suitable person (with due regard to required experience, competencies, etc.) with the appropriate level is chosen.
- v) **"REMARKS, LIMITATION OR CONDITIONS":** This column corresponds to the provision made in the PFMA or any such provisos. The date when a delegation is to take effect may be included in the column if it differs from the norm. This column should also be employed to indicate when a specific power should not be delegated or when certain processes should be followed when a specific delegation is executed.
- vi) **"GENERAL":** The accounting officer must sign an issuing certificate and also initial each page of the relevant delegations. An example is provided as per Annexure D.

ANNEXURE A

PRINCIPLES OF DELEGATIONS FRAMEWORK

TERMS	DEFINITION
Item No.	Each delegation is numbered to reference the appropriate delegation.
Reference to Power of Authority.	This contains the source and description of the power of authority.
Mandate.	<p>This refers to the specific mandate and is organised in the following order:</p> <p>Primary Legislation;</p> <p>Subordinate Legislation;</p> <p>Complementary Legislation; and</p> <p>Functional Requirements (Policies, Frameworks, Guidelines, Circulars, Standards, Practices, Strategies, Standards Operating Procedures {SOP} and Systems).</p>
Description of Power of Authority.	This contains an extract of the power of authority as encapsulated in the primary legislation; subordinate legislation; complementary legislation; and functional requirements. It is organised in categories of functionality as per the Treasury Regulations sequence.
Delegation Route.	<p>This distinguishes between all activities relevant to exercise a power, such as initiate, process, recommend, execute and monitor. For each activity it also differentiates between the impact level of the activity, the post level delegated to, and the prescribed frequency, where relevant.</p> <p>The post level indicated is regarded as the “lowest level” delegated to, which implies that all officials holding a higher level may also exercise the power of authority, subject to the principles of <i>functus officio and rights being vested</i>.</p>
Impact level.	This indicates whether the activity to be performed is regarded as being on a strategic, tactical or operational level.
Post level.	This indicates the post level and where relevant, the component the activity is delegated to.

TERMS	DEFINITION
Frequency.	This indicates the prescribed frequency requirements in executing the activity, where applicable.
Initiate.	The official authorised to initiate the action, mostly on a strategic or tactical level.
Process.	The official authorised to process a motivation and/or formulation of a decision to be taken, mostly on an operational level.
Recommend.	The official authorised to evaluate the motivation of the decision to be taken, mostly on a strategic or tactical level.
Approval.	The official empowered and authorised to consider the recommendation and make a decision consistent with the delegation, mostly on a strategic or tactical level.
Execution.	The official authorised to process a motivation and/or formulation of a decision to be taken, mostly on an operational level.
Monitoring.	The official authorised to monitor the execution and successful implementation of the delegated decision, mostly on a tactical level.
Limitations/conditions.	The execution of delegations is subject to compliance with the corresponding limitations and/or conditions. This forms part of the system of checks and balances (controls) that ensures that delegations are exercised in a responsible and accountable manner and is enforceable by law.
Remarks.	The execution of delegations is augmented by consideration of corresponding remarks. Such remarks serve as guidance.
Risks	This indicates the extent of the risk impact on the execution of the power of authority and differentiates between the below-mentioned.
<ul style="list-style-type: none"> ▪ Limited. 	Restricted/small impact on the Department internally. The time-frame of the impact would generally be short-term.
<ul style="list-style-type: none"> ▪ Moderate. 	Impact is more substantial on the Department internally, but not significant enough to be considered extensive. The time-frame of the impact would generally be medium-term.
<ul style="list-style-type: none"> ▪ Extensive. 	Major impact on the Department internally and externally on Provincial Government. The time-frame of the impact would generally be long-term.

ANNEXURE B 1

DELEGATION FRAMEWORK

1. The delegation framework should include but is not limited to the following:
 - i) Minimum post/salary levels at the appropriate levels; e.g. level 7 to 12, or as determined by the Accounting Officer of a Department;
 - ii) General conditions applicable to financial delegations;
 - iii) Definitions; and
 - iv) All applicable financial management delegations, as indicated in the delegation tables (Annexure B 2).

2. **General Conditions**
 - i) Delegations in respect of expenditure are subject to availability of funds.
 - ii) Orders may not be authorised prior to expenditure being appropriated; the prior approval of the Accounting Officer may only be granted in exceptional circumstances.
 - iii) Once expenditure is authorised the applicable provisioning processes must be followed to purchase the required goods and services.
 - iv) Expenditure must fall within legislated levels and within Delegations of Authority.
 - v) The Chief Financial Officer or Accounting Officer must consider and rule on any matters where any uncertainty exists regarding Financial or Supply Chain Management Delegations of Authority.
 - vi) Failure to comply with the Delegations of Authority constitutes financial misconduct and any employee found guilty will be subject to discipline.
 - vii) Officials delegated for approval of expenditure must also ensure compliance with SCM delegations and procedures.
 - viii) A Responsibility Manager may not delegate responsibility management functions while available in the office. A Responsibility Manager may only delegate responsibility management functions if he/she will be away from the office for an extended time period.
 - ix) Where a Responsibility Manager is not available and the responsibility manager functions have not been delegated to any other official in writing, the Programme Manager will assume the functions of the Responsibility Manager in his/her absence.

- x) All letters/memoranda where the Responsibility Manager delegates responsibility manager functions must be forwarded to the Chief Financial Officer a day in advance of the start date.
- xi) An official cannot authorise amounts over and above the maximum amount delegated in terms of the delegations of authority, **unless appointed in writing to act in the higher post level in terms of Section 32 of the Public Service Act, 1994, as amended, and the Public Service Regulations.**

3. **Roles of Responsibility or Programme Manager**

3.1 The Responsibility or Programme Manager means the person appointed by the Accounting Officer, who in terms of the PFMA is responsible for ensuring:

- i) That the system of financial management and internal control established for the Department is carried out within his/her area of responsibility.
- ii) The effective, efficient, economical and transparent use of financial and other resources within his/her area of responsibility.
- iii) That effective and appropriate steps are taken to prevent any unauthorised, irregular and fruitless and wasteful expenditure and any other collection of revenue due are implemented within his/her area of responsibility.
- iv) Compliance with the provisions of the PFMA to the extent applicable to him/her, including any delegations and instructions in terms of section 44 of the Act.
- v) Proper management of assets, including the safeguarding of assets and the management of liabilities within his/her area of responsibility.

4. **Expenditure Delegations**

Section 38(1) (f) and 76(4) (b) of the PFMA, read in conjunction with section 8.2 of the Treasury Regulations, state that:

- i) An official of an institution may not spend or commit Public money, except with the approval (either in writing or by duly authorised electronic means) of the Accounting Officer) or a properly delegated or authorised officer;
- ii) Before approving expenditure or incurring a commitment to spend, the delegated or authorised official must ensure compliance with any limitations and conditions attached to the delegation or authorisation; and

- iii) Unless otherwise determined in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgement.

ANNEXURE B 2

DEPARTMENTAL FINANCIAL MANAGEMENT DELEGATIONS OF AUTHORITY

1. EXPENDITURE DELEGATIONS

Delegation No.	Scope	Minimum Delegation/ Salary Level	Financial Limitations	Conditions applicable to Delegation	Legislative Framework	Annexure C
1.1	Approval of Expenditure on purchase of goods or services (Requisition Form, Submission or Memorandum of Agreement).	Responsibility Manager	Up to R350 000	As this is approval of expenditure, the delegated official must ensure that budgeted funds are available to procure goods or services. All requests for expenditure must be accompanied by confirmation by the Responsibility Manager that funds are available. The Responsibility Manager must confirm the availability of funds prior to approval by the Programme Manager, Chief Financial Officer and Accounting Officer. The delegated official approving expenditure must ensure adherence with supply chain management delegations	PFMA 38(1)(f) Treasury Regulation 8.2	Item No. 5, 11, 17, & 19 Item No. 34
		Programme Manager	R 2 000 000			
		Director: Finance	R 2 000 000			
		Chief Financial Officer	Unlimited			
		Accounting Officer	Unlimited			

Delegation No.	Scope	Minimum Delegation/ Salary Level	Financial Limitations	Conditions applicable to Delegation	Legislative Framework	Annexure C
				and procedures.		
1.2	Approval for pay over of revenue collection, revenue accrual and voted funds to be surrendered to Provincial Revenue Fund (Requisition Form)	11	Unlimited	Monthly and after receipt of the Report of the Auditor –General. The requisition form must be accompanied by the relevant BAS report reflecting the amount to be paid over.		
1.3	Re-issue of payments exceeding the ACB limit (Requisition Form)	8	Unlimited	The requisition form must be accompanied by the relevant BAS report reflecting the amount to be re-issued.		

2. BASIC ACCOUNTING SYSTEM (BAS) AND HARDCAT DOCUMENT APPROVALS

Delegation No.	Scope	Minimum Delegation/Salary Level	Financial Limitations	Conditions applicable to Delegation	Legislative Framework	Annexure C
2.1	Issue BAS/HARDCAT order documents	4 - 8	No limitation	The person authorising the expenditure and/or requisition must not be the same person signing the order. Subject to compliance with SCM procurement processes. All orders for assets must be issued on HARDCAT or the departmental asset management system.	PFMA 38(1)(d) Treasury Regulation 10.1	Item No. 5 & 9 Item No. 37
2.1.1	Compilation of sundry payment/journal/debt take on	4-8	No limitation	The person compiling the sundry payment/journal/debt agreement transaction must not be the same as the person checking the document.		
2.1.2	Authorise BAS/HARDCAT order documents	9 – 10	Up to R500 000	The order document is issued subject to expenditure being approved at the delegated level on the provisioning form with the correct SCOA allocation details.		
		11&12	Up to R1 000 000			
		Director: Finance	Up to			

Delegation No.	Scope	Minimum Delegation/Salary Level	Financial Limitations	Conditions applicable to Delegation	Legislative Framework	Annexure C
			R 2 000 000			
		Chief Financial Officer	Unlimited			
2.2	Confirmation of receipt of goods and/or services	Responsibility Manager and/or end user		Subject to expenditure being authorised at the approved delegated level. By signing the invoice the official is confirming that goods or services were delivered in terms of the required specifications and that payment may be processed.		
2.2.1	Authorisation of invoice for payment	Responsibility Manager	Up to R350 000	Subject to the expenditure being authorised at the approved delegated level. By signing the invoice the official is confirming that goods or services were delivered in terms of the required specifications and that payment may be processed. Payments for goods and services in advance of the receipt thereof must be verified in accordance		
		Programme Manager	R2 000 000			
		Accounting Officer	Unlimited			

Delegation No.	Scope	Minimum Delegation/Salary Level	Financial Limitations	Conditions applicable to Delegation	Legislative Framework	Annexure C
				with contractual obligations.		
2.3	Checking of payment advice/journal	8 and above	Unlimited	The person checking the payment advice/journal may not be the person who compiled it. The checker must be a higher level than the compiler.		
2.4	Payment authorisation on payment advice	8	Up to R50 000	Subject to expenditure being authorised at the approved delegated level. The person authorising the payment on the BAS/HARDCAT payment advice may not be the same person who signed the order. The person authorising the BAS/HARDCAT payment advice must not be the same person who compiled/ or checked the voucher and the supporting documentation. Subject to certification of the original invoice by the		
		9&10	Up to R500 000			
		11&12	Up to R 1 000 000			
		Director: Finance	Up to R 2 000 000			
		Chief Financial Officer	Unlimited			

Delegation No.	Scope	Minimum Delegation/Salary Level	Financial Limitations	Conditions applicable to Delegation	Legislative Framework	Annexure C
				<p>Responsibility Manager or Programme Manager.</p> <p>In the case of sundry payments, the item allocation must be included.</p> <p>For the authorisation of credit transfers, a memo to the Banking Section signed by an official in terms of delegated limits.</p>		
2.5	Authorisation of payment on BAS/HARDCAT.	9&10 11&12 Director: Finance Chief Financial Officer	Up to R500 000 Up to R1 000 000 Up to R2 000 000 Unlimited	<p>Subject to expenditure being authorised at the approved delegated level.</p> <p>The person authorising the payment on BAS/HARDCAT may not be the same person who captured the payment.</p>		
2.6	Authorisation of journals on BAS.	8 and above	Unlimited	The person authorising the journal on BAS may not be the same person who captured the journal.		

3. APPOINTMENT OF RESPONSIBILITY AND PROGRAMME MANAGERS

Delegation No.	Scope	Minimum delegation/salary level	Financial Limitations	Conditions applicable to Delegation
3.1	To appoint Responsibility and/or Programme Manager	Accounting Officer	No limitations	In terms of paragraph 8.2 of the Treasury Regulations issued in terms of the PFMA.
3.2	Virements and Rollovers	Accounting Officer	Unlimited	Subject to section 43 of the PFMA and chapter 6 of the Treasury Regulations promulgated in terms of the PFMA.

4. LOSS CONTROL DELEGATIONS

Delegation No.	Scope	Minimum delegation/salary level	Financial Limitations	Conditions applicable to Delegation	Legislative Framework	Annexure C
4.1	To authorise write-off's	Chief Financial Officer	Up to R100 000	Subject to compliance with PFMA, Treasury Regulations and departmental losses and debt write-off policy.	Treasury Regulation 11.3, 11.4 and 12.6	Item No. 39
		Accounting Officer	Unlimited	The case must be clearly documented. Amounts based on original purchase price for goods and/or original debt amount.		

4.2	To approve period of recovery: Debt	Chief Financial Officer	Up to 36 months	Subject to compliance with PFMA, Treasury Regulations and departmental Losses and Debt Write-Off Policy.	PFMA 38(1)(c)(i) Treasury Regulation 11.2	Item No. 6 Item No. 36
		Accounting Officer	Unlimited			

5. GIFTS, DONATIONS AND SPONSORSHIPS

Delegation No.	Scope	Minimum delegation/salary level	Financial Limitations	Conditions applicable to Delegation	Legislative Framework	Annexure C
5.1	To authorise the acceptance of gifts from a private entity to a State official.	Programme Manager	R500	Acceptance of cash is not permitted. The guideline to be observed by officials is whether or not the acceptance of gifts, donations and sponsorships would compromise the department in any way. Subject to the PFMA and	Treasury Regulation 21	Item No. 47
		Chief Financial Officer	R 50 000			
		Accounting Officer	Unlimited			

				<p>Treasury Regulations.</p> <p>Chief Financial Officer to keep a record of all cases/gifts received.</p> <p>All gifts in excess of R350.00 must be declared in line with Section 4.5.3 of the Explanatory Manual on the Code of Conduct for the Public Service.</p>		
5.2	The donation/transfer of any item of movable state property or equipment between government departments.	Accounting Officer	Unlimited	<p>The item must be transferred at book value.</p> <p>Chief Financial Officer to keep records of all cases.</p> <p>Amounts based on original purchase price for goods.</p>	Treasury Regulation 21	Item No. 46 & 47
5.3	To grant gifts, donations and sponsorships by the State.	Accounting Officer	R100 000	<p>The request must be fully motivated and is subject to the PFMA and Treasury Regulations: Chapter 21.</p> <p>CFO to keep records of all cases/gifts.</p>		

5.4	To authorise the acceptance of gifts, donations and sponsorships to the State from a private entity.	Chief Financial Officer	R 50 000	<p>Acceptance of cash is permitted provided it is paid into the Revenue Fund and can only be utilised if included in the budget.</p> <p>The guideline to be observed by all officials is whether or not the acceptance of gifts, donations and sponsorships would compromise the department in any way.</p> <p>Subject to PFMA and Treasury Regulations.</p> <p>CFO to keep records of all cases.</p>		
		Accounting Officer	Unlimited			

ANNEXURE C

PFMA DELEGATION FRAMEWORK

FINANCIAL MANAGEMENT DELEGATIONS BY THE ACCOUNTING OFFICER & THE CHIEF FINANCIAL OFFICER:

LEGISLATIVE FRAMEWORK			ACCOUNTING OFFICER DELEGATIONS FRAMEWORK			CHIEF FINANCIAL OFFICER DELEGATIONS FRAMEWORK		
ITEM NO	LEGISLATION	POWER OR DUTY	DELEGATED TO	SUB-DELEGATED TO	LIMITATIONS/CONDITIONS	DELEGATED TO	SUB-DELEGATED TO	LIMITATIONS/CONDITIONS
CHAPTER 5 - Departments								
1	PFMA 38(1)(a)(i)	Maintenance of efficient, effective and transparent systems of financial and risk management control.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.	Risk Manager		Conditions attached to area of responsibility.
2	PFMA 38(1)(a)(ii)	Maintenance of a system of internal audit.	Accounting Officer	Provincial Treasury: Internal Audit				
3	PFMA 38(1)(a)(iii)	Maintenance of an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
4	PFMA 38(1)(a)(iv)	Maintenance of a system for properly evaluating all major capital projects prior to a final decision on the project.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
5	PFMA 38(1)(b)	Responsible for effective, efficient, economical and transparent use of the resources of the department.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.	Programme Manager/ Responsibility Manager		Conditions attached to area of responsibility.
6	PFMA 38(1)(c)(i)	Take effective and appropriate steps to collect all money due to the department.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.	Management: Revenue/Debt Management	Other officials: Revenue/Debt Management	Conditions attached to area of responsibility.
7	PFMA 38(1)(c)(ii)	Take effective and appropriate steps to prevent unauthorised, irregular, fruitless and wasteful expenditure and losses resulting from criminal conduct.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.	Programme Manager/ Responsibility Manager		Conditions attached to area of responsibility.
8	38(1)(c)(iii)	Take effective and appropriate steps to manage available working capital efficiently and economically.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to			

LEGISLATIVE FRAMEWORK			ACCOUNTING OFFICER DELEGATIONS FRAMEWORK			CHIEF FINANCIAL OFFICER DELEGATIONS FRAMEWORK		
ITEM NO	LEGISLATION	POWER OR DUTY	DELEGATED TO	SUB-DELEGATED TO	LIMITATIONS/CONDITIONS	DELEGATED TO	SUB-DELEGATED TO	LIMITATIONS/CONDITIONS
					delegation or authorisation.			
9	PFMA 38(1)(d)	Responsibility for the management, safeguarding and the maintenance of assets, including the management of liabilities.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.	Management: Assets & Liabilities	Other officials: Asset & Liability Management	Conditions attached to area of responsibility.
10	PFMA 38(1)(e)	Comply with any tax, levy, duty, pension and audit commitments	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.	Management: Liabilities	Other officials: Liability Management	Conditions attached to area of responsibility.
11	PFMA 38(1)(f)	Settle all contractual obligations and pay all money owing, including intergovernmental claims, within the prescribed or agreed period	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.	Management: Expenditure	Other officials: Expenditure Management	Conditions attached to area of responsibility.
12	PFMA 38(1)(g)	Must immediately report, in writing, any unauthorised, irregular and fruitless and wasteful expenditure to Provincial Treasury.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
13	PFMA 38(1)(h)(i)	Must take effective and appropriate disciplinary steps against any official in the service of the department who contravenes or fails to comply with a provision of the PFMA.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
14	PFMA 38(1)(h)(ii)	Disciplinary steps to be taken against an official who commits an act which undermines the financial management and internal control system of the department.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
15	PFMA 38(1)(h)(iii)	Disciplinary steps to be taken against an official who makes or permits an unauthorised expenditure, irregular expenditure or fruitless and wasteful expenditure;	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
16	PFMA 38(1)(i)	When transferring funds in term of the annual Division of Revenue Act (DoRA), must ensure that the provisions of that Act are complied with.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.	Management: Budgeting and Expenditure Management	Other officials: Budgeting and Expenditure Management	Conditions attached to area of responsibility.
17	PFMA 39(1)(a)	Ensure that expenditure of the department is in accordance with the vote of the department and the main divisions within the vote	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.	Management: Budgeting and Expenditure Management	Other officials: Budgeting and Expenditure Management	Conditions attached to area of responsibility.

LEGISLATIVE FRAMEWORK			ACCOUNTING OFFICER DELEGATIONS FRAMEWORK			CHIEF FINANCIAL OFFICER DELEGATIONS FRAMEWORK		
ITEM NO	LEGISLATION	POWER OR DUTY	DELEGATED TO	SUB-DELEGATED TO	LIMITATIONS/CONDITIONS	DELEGATED TO	SUB-DELEGATED TO	LIMITATIONS/CONDITIONS
18	PFMA 39(1)(b)	Ensuring effective and appropriate steps are taken to prevent unauthorised expenditure.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.	Management: Budgeting and Expenditure Management	Other officials: Budgeting and Expenditure Management	Conditions attached to area of responsibility.
19	PFMA 39(2)(a)	Must take effective and appropriate steps to prevent any overspending of the vote of the department or a main division within the vote	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.	Management: Budgeting and Expenditure Management	Other officials: Budgeting and Expenditure Management	Conditions attached to area of responsibility.
20	PFMA 39(2)(b)(i)(ii)(iii)	Report to the executive authority and the relevant treasury any impending under collection of revenue due; shortfalls in budgeted revenue; and overspending of the department's vote or a main division within the vote.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
21	PFMA 39(2)(c)	Comply with any remedial measures imposed by the relevant treasury to prevent overspending of the vote or a main division within the vote.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
22	PFMA 40(1)(a)	Must keep full and proper records of the financial affairs of the department with any prescribed norms and standards.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
23	PFMA 40(1)(b)	Must prepare financial statements for each financial year in accordance with generally recognised accounting practice.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
24	PFMA 40(1)(c)(i)(ii)	Must submit financial statement within two months after the end of the financial year to the Auditor-General and relevant treasury to prepare consolidated financial statements.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
25	PFMA 40(1)(d)(i)(ii)(iii)	Must submit financial statements within 5 months of the end of a financial year to the relevant treasury, also to the executive authority responsible for the department - an (i) annual report on the activities of that department during that financial year; (ii) the financial statements for that financial year after those statements have been audited; and (iii) the Auditor-General's report on those	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			

LEGISLATIVE FRAMEWORK			ACCOUNTING OFFICER DELEGATIONS FRAMEWORK			CHIEF FINANCIAL OFFICER DELEGATIONS FRAMEWORK		
ITEM NO	LEGISLATION	POWER OR DUTY	DELEGATED TO	SUB-DELEGATED TO	LIMITATIONS/CONDITIONS	DELEGATED TO	SUB-DELEGATED TO	LIMITATIONS/CONDITIONS
		statements.						
26	PFMA 40(4)(a)	Must each year before the beginning of a financial year provide the relevant treasury in the prescribed format with a breakdown per month of anticipated revenue and expenditure for that financial year.	Accounting Officer: Provincial Treasury					
27	PFMA 40(4)(b)	Submit information monthly in the prescribed format with a breakdown per month on actual revenue and expenditure for the preceding month	Accounting Officer					
28	PFMA 40(4)(c)(i)(ii)(iii)	Within 15 days of the end of the month submit to the relevant treasury and executive authority (i) information for that month, (ii) projection of expected expenditure and revenue collection for the remainder of the current financial year, (iii) an explanation of any material variances and a summary of steps taken to ensure projected expenditure and revenue remain within budget.	Accounting Officer					
29	PFMA 42(1)(a)(b)	When transferring assets and liabilities, draw up an inventory of such assets and liabilities and provide substantiating records, including personnel records of staff to be transferred.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
Treasury Regulations								
30	TR 5.1.1	Prepare a strategic plan for the forthcoming MTEF period for approval by the executive committee.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.	Relevant division within department		Conditions attached to area of responsibility.
31	6.1.1	Comply with any annual budget circulars issued by the relevant treasury.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
32	TR 7.2.1	Manage revenue efficiently and effectively by developing and implementing appropriate processes	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to			

LEGISLATIVE FRAMEWORK			ACCOUNTING OFFICER DELEGATIONS FRAMEWORK			CHIEF FINANCIAL OFFICER DELEGATIONS FRAMEWORK		
ITEM NO	LEGISLATION	POWER OR DUTY	DELEGATED TO	SUB-DELEGATED TO	LIMITATIONS/CONDITIONS	DELEGATED TO	SUB-DELEGATED TO	LIMITATIONS/CONDITIONS
		that provide for the identification, collection, recording, reconciliation and safeguarding of revenue information.			delegation or authorisation.			
33	TR 7.3.1	Review, at least annually when finalising the budget, all fees, charges, scales or tariffs of fees and charges that are not or cannot be fixed by any law and relate to revenue accruing to a relevant fund and must obtain approval from relevant treasury for proposed tariff structure.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
34	TR 8.1.1	Ensure that internal processes and internal control measures are in place for payment approval and processing, which should provide reasonable assurance that all expenditure is necessary, appropriate, paid promptly and is adequately recorded and reported.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
35	TR 8.4.1	Maintain appropriate measures to ensure that transfers to entities are applied for intended purposes.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.	Management: Budgeting	Other officials: Budgeting	Conditions attached to area of responsibility.
36	TR 9.1.1	Exercise all reasonable care to prevent and detect unauthorised, irregular and fruitless and wasteful expenditure, and must for this purpose implement effective, efficient and transparent processes of financial and risk management.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
37	TR 10.1.1	Take full responsibility and ensure that proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, losses, wastage and misuse and stock levels are at an optimum and economical level.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
38	TR 11.2.1	Take effective and appropriate steps to timeously collect all money due to the institution.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			

LEGISLATIVE FRAMEWORK			ACCOUNTING OFFICER DELEGATIONS FRAMEWORK			CHIEF FINANCIAL OFFICER DELEGATIONS FRAMEWORK		
ITEM NO	LEGISLATION	POWER OR DUTY	DELEGATED TO	SUB-DELEGATED TO	LIMITATIONS/CONDITIONS	DELEGATED TO	SUB-DELEGATED TO	LIMITATIONS/CONDITIONS
39	TR 11.4.2	Must ensure that debts written-off are in accordance with a debt write-off policy.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
40	TR 15.10.1.1	Responsible for establishing systems, procedures, processes and training and awareness programmes to ensure efficient and effective banking and cash management.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
41	TR15.10.2.1	Must annually submit to the relevant treasury a breakdown of anticipated revenue and expenditure in the format determined by the National Treasury, no later than the last working day of February preceding the financial year to which it relates.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
42	TR 16A3.1	Must develop and implement an effective and efficient supply chain management system.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
43	TR16A4.1	Must establish a supply chain management unit to implement the supply chain management system.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
44	TR 17.2.1	Must, subject to provisions of the relevant national and provincial legislation, retain all financial information in its original form.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
45	TR18.1.1	Must comply with the reporting requirements of the annual Division of Revenue Act.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.			
46	TR 21.1.	May approve gifts, donations and sponsorships of State money and other movable property in the interest of the State.	Accounting Officer					
47	TR 21.2.1	May approve the acceptance of any gifts and sponsorship to the State, whether in cash or kind.	Accounting Officer					

ANNEXURE D

EXAMPLE OF ISSUING CERTIFICATE

DELEGATIONS OF POWERS ENTRUSTED OR DELEGATED TO THE ACCOUNTING OFFICER IN TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT, 1999 (ACT 1 OF 1999), AS AMENDED

DEPARTMENT OF

Under the powers vested in me by Section 44 of the Public Finance management Act, (Act 1 of 1999), I, the Accounting officer for the Department of, hereby delegate the powers and duties assigned to me by the said Act, as well as any powers and duties to assist me in complying with a duty, as set out in Annexure..... hereto.

Signed at _____ this _____ day of _____

ACCOUNTING OFFICER

LEGISLATIVE FRAMEWORK		ACCOUNTING OFFICER DELEGATIONS FRAMEWORK			CHIEF FINANCIAL OFFICER DELEGATIONS FRAMEWORK		
LEGISLATION	POWER OR DUTY	DELEGATED TO	SUB-DELEGATED TO	LIMITATIONS/ CONDITIONS	DELEGATED TO	SUB-DELEGATED TO	LIMITATIONS/ CONDITIONS
PFMA 38(1)(a)(l)	Maintenance of efficient, effective and transparent systems of financial risk management and internal control.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.	Risk Manager		Conditions attached to area of responsibility.
38 (1)(c)(i)	Must take effective and appropriate steps to collect all money due to the department.	Accounting Officer	Chief Financial Officer	In line with Treasury Regulation 2.1.3 and any conditions attached to delegation or authorisation.	Management: Revenue/Debt Management	Other officials: Revenue/Debt Management	Conditions attached to area of responsibility

Accounting Officer:

CFO/Delegatee:

Date:

Date: